## Amendments to the CLAIMS:

- 1. (Amended). A method of illuminating a backlit display, said method comprising the step of spatially varying the luminance of a light source illuminating a plurality of displayed pixels in response to a plurality of intensity values of said pixels and varying the transmittance of a light valve of said display in a non-binary manner, wherein said light source is spatially displaced at a location at least partially directly beneath said plurality of pixels, wherein different regions of said light source have different non-zero luminance.
- 2. (Previously Presented). The method of claim 1 wherein the step of varying a luminance of a light source illuminating a displayed pixel in response to an intensity of value of said pixel comprises the steps of:
  - (a) determining a luminance of said pixel from said intensity value; and
  - (b) varying a luminance of said light source according to a relationship of said luminance of said pixel and said luminance of said light source.
- 3. (Original). The method of claim 2 wherein said relationship of said luminance of said pixel and said luminance of said light source is a nonlinear relationship.
- 4. (Original). The method of claim 2 wherein the step of determining a luminance of a pixel from an intensity value comprises the step of filtering an intensity value for a plurality of pixels.
- 5. (Original). The method of claim 4 wherein said relationship of said luminance of said pixel and said luminance of said light source is a nonlinear relationship.
- 6. (Original). The method of claim 4 further comprising the step of sampling a filtered intensity value at a spatial coordinate corresponding to said light source.

- 7. (Original). The method of claim 6 further comprising the step of rescaling a sample of said filtered intensity value to reflect a nonlinear relationship between said luminance of said light source and said intensity of said displayed pixel.
- 8. (Original). The method of claim 2 wherein the step of varying a luminance of said light source according to a relationship of said luminance of said pixel and said luminance of said light source comprises the steps of:
  - (a) operating said light source at substantially a maximum luminance if a luminance of at least one displayed pixel exceeds a threshold luminance; and
  - (b) otherwise, attenuating said luminance of said light source according to a relationship of said luminance of said light source and a luminance of a plurality of pixels.
- 9. (Original). The method of claim 8 wherein the step of attenuating a luminance of a light source according to a relationship of said luminance of said light source and a luminance of a plurality of pixels comprises the step of attenuating said luminance of said light source according to a relationship of said luminance of said light source and a mean luminance of said plurality of pixels.
- 10. (Original). The method of claim 9 wherein the step of attenuating a luminance of a light source illuminating a pixel comprises the step of attenuating a luminance of a plurality of light sources illuminating a plurality of pixels comprising a frame in a sequence of video frames.

- 11. (Original). The method of claim 10 wherein the step of attenuating a luminance of a plurality of light sources illuminating a plurality of pixels comprising a frame in a sequence of video frames comprises the step of attenuating said luminance of said light sources for a subset of frames of said sequence, said subset including less than all said frames of said sequence.
- 12. (Original). The method of claim 9 wherein said plurality of pixels comprises at least two contiguous pixels.
- 13. (Original). The method of claim 1 wherein the step of varying a luminance of a light source illuminating a displayed pixel comprises the step of varying a luminance of a plurality of light sources illuminating a plurality of displayed pixels substantially comprising a frame in a sequence of video frames.
- 14. (Original). The method of claim 13 wherein the step of varying a luminance of a plurality of light sources illuminating a plurality of pixels substantially comprising a frame in a sequence of video frames comprises the step of varying said luminance of said light sources for less than all frames of said sequence.

## 15-18. (Canceled).

- 19. (Amended). A backlit display comprising:
- (a) a plurality of light source elements;
- (b) a light valve arranged for non-binary locally modulated transmittance of light from said light source elements, said non-binary locally modulated transmittance being responsive to a data value of an image pixel; and
- (c) a light source controller to spatially modulate a luminance output of a light source element according to a relationship of said luminance output and said data value of said image pixel, wherein said light source is spatially displaced at a location at least partially beneath said plurality of pixels, wherein different regions of said light source have different non-zero luminance.

- 20. (Original). The apparatus of claim 19 wherein said light source controller comprises:
  - (a) a data processing unit to determine a power to be applied to a light source element to cause said light source element to emit a luminance output satisfying said to said data value of said image pixel; and
  - (b) a light element driver to apply said power to said light source element.
- 21. (Amended). A backlight for a display comprising a plurality of light sources, at least one light source being controllable to output light at a luminance level independent of a luminance level of light output by another of said light sources and a light valve varying the transmittance of light from said display in a non-binary manner, wherein different regions of said light source have different non-zero luminance.
- 22. (Original). The apparatus of claim 21 further comprising a light source driver controlling said luminance level of light output by said at least one light source according to a relationship of said luminance level of said output light and a data value for a displayed pixel.
- 23. (Previously Presented). The apparatus of claim 1 wherein said light source includes a plurality of light emitting diodes.
- 24. (Previously Presented). The apparatus of claim 23 wherein each of said light emitting diodes is associated with a different said pixel.
- 25. (Previously Presented). The apparatus of claim 23 wherein each of said light emitting diodes receives a different said intensity value.